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SUBJECT: NON-PRO/EXPORT CONTROL MEETING WITH MALAYSIAN MFA

1.(SBU) Summary: Following up on discussions between Special Advisor Einhorn and Ministry of Foreign Affairs Secretary General Rastam (see septel), MFA Under Secretary for Non-Proliferation Bala Chandaran welcomed U.S. training on export controls during a meeting with Econcouns and EXBS Advisor November 6. Econcouns and Advisor shared a menu of possible training courses, noting that training could be tailored to the GOM's requirements. Bala Chandaran said the GOM looked forward to continuing discussions with the U.S. on non-proliferation and export controls which got underway with Einhorn, and welcomed a planned visit to KL by a U.S. interagency delegation for further discussions on these issues. During the meeting, Econcouns also presented Bala with formal notification of Treasury's Nov. 5 designation of First East Export Bank, which Special Advisor Einhorn had mentioned was imminent during his meetings in KL on November 3-4. End Summary.

12. (SBU) Econcouns Matthews and EXBS Advisor McNamara met with MFA Under Secretary Bala Chandran and Principal Assistant Secretary Shazryll Zahiran November 6, to discuss options for export control training. Econcouns noted that the November 3-4 meetings between Special Advisor Robert Einhorn and senior Malaysian officials, including MFA Secretary General Rastam and MITI Deputy Minister Muhkris Mahatir, had gone well. The U.S. welcomed Malaysia's stated plan to table an Export Control Law in Parliament soon and its renewed interest at senior levels in training related to export controls. Econcouns and EXBS Advisor emphasized that the Embassy was ready to assist Malaysia in this process. In follow-up to Einhorn's discussion with Secretary General Rastam, Econcouns told Bala that the State Department would organize an interagency delegation to visit Malaysia in the near future for discussions on furthering our cooperation on non-proliferation and related export control issues. Bala Chandran welcomed this.

13. (SBU) Econcouns invited Bala to review training options offered by EXBS, noting that EXBS could tailor training to specific needs raised by the GOM. Bala Chandran indicated that MFA was anxious to obtain export control training from the US. He mentioned that Canada, Japan and Australia also offered training, but claimed he preferred the U.S.'s programs. Bala said MFA welcomed training but the GOM had believed that training on aspects of Export Control for line officers at MITI and Customs had to follow after the Malaysian legal framework for export controls was put in place. Now that the GOM was preparing to table the draft export control law in Parliament, Bala said, the GOM was pleased to accept additional training, noting that it could build on useful training the U.S. had provided two years ago related to drafting the export control law.

14. (SBU) EXBS Advisor McNamara presented an abbreviated three page list of various EXBS-linked training to Bala Chandra and reiterated his readiness to relay back to Washington any specific requirements that the GOM might have regarding training. Bala said he envisioned this training would involve representatives from MFA, MITI and Customs, so that policy, licensing and enforcement angles could all be covered. With regard to the University of Georgia Export Control training program which MFA now plans to attend in Spring 2010, Bala asked if it would be possible to increase the number of slots available to the GOM from two to four. EXBS Advisor

promised relay that request to Washington and to explore that with program organizers.

15. (SBU) Econcouns shared additional background with Bala on the Nuclear Security Summit Sous Sherpa and Sherpa conference to be held in Tokyo in December, to which Malaysia has been invited to attend. [any comment/reaction?]

16. (SBU) At the close of the meeting, Econcouns delivered the text of Treasury's November 5 designation of First East Export Bank (FEEB) to Bala. Bala accepted it without comment other than to acknowledge that Special Advisor Einhorn had indicated this designation was imminent during his meetings in KL (Note: Post also informed Bank Negara of the FEEB designation on November 6 and delivered a copy of the announcement text to Bank Negara Deputy Governor Zamani.

KEITH